



**6712-01**

**FEDERAL COMMUNICATIONS COMMISSION**

**47 CFR Parts 1 and 63**

**[IB Docket No. 12-299; FCC 14-48]**

**Reform of Rules and Policies on Foreign Carrier Entry Into the U.S.**

**Telecommunications Market**

**AGENCY:** Federal Communications Commission.

**ACTION:** Final rule.

**SUMMARY:** In this document, the Federal Communications Commission (Commission) eliminates the effective competitive opportunities test (ECO Test) from its review of international section 214 authority and cable landing license applications, as well as foreign carrier affiliation notifications, filed by foreign carriers or their affiliates that have market power in countries that are not members of the World Trade Organization (WTO). The Commission found that elimination of outdated or unnecessary rules will reduce regulatory costs and enhance its ability to expeditiously review foreign entry that may be advantageous to U.S. consumers, while continuing to protect important interests related to national security, law enforcement, foreign policy, and trade policy.

**DATES:** Effective [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER], except for amendments to §§ 1.767(a)(8), 1.768(g)(2), 63.11(g)(2), and 63.18 (k), which contain information collection requirements that require approval by the Office of Management and Budget (OMB). The Commission

will publish a document in the Federal Register announcing the effective date for those rule changes.

**FOR FURTHER INFORMATION CONTACT:** Jodi Cooper or James Ball, Policy Division, International Bureau, FCC, (202) 418-1460 or via the Internet at [Jodi.Cooper@fcc.gov](mailto:Jodi.Cooper@fcc.gov) and [James.Ball@fcc.gov](mailto:James.Ball@fcc.gov).

**SUPPLEMENTARY INFORMATION:** This is a summary of the Commission's Report and Order, IB Docket No. 12-299, FCC 14-48, adopted April 22, 2014, and released April 22, 2014. The full text of the Report and Order is available for inspection and copying during normal business hours in the FCC Reference Center, 445 12<sup>th</sup> Street, SW, Washington, DC 20554. The document also is available for download over the Internet at [http://transition.fcc.gov/Daily\\_Releases/Daily\\_Business/2014/db0422/FCC-14-48A1.pdf](http://transition.fcc.gov/Daily_Releases/Daily_Business/2014/db0422/FCC-14-48A1.pdf)

The complete text also may be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc. (BCPI), located in Room CY-B402, 445 12<sup>th</sup> Street, SW, Washington, DC 20554. Customers may contact BCPI at its web site, <http://www.bcpweb.com> or call 1-800-378-3160.

## **Synopsis**

1. In the Report and Order, the Commission eliminates the formal ECO Test that applies to Commission review of applications filed by foreign carriers or affiliates of foreign carriers for entry into the U.S. market for international telecommunications services and facilities pursuant to section 214 of the Communications Act of 1934, as amended, 47 U.S.C. 214, and section 2 of the Cable Landing License Act, 47 U.S.C.

sections 34-39. The Commission will no longer apply the ECO Test to (1) section 214 applications filed by foreign carriers or their affiliates that have market power in non-WTO countries they seek to serve; (2) notifications filed by an authorized U.S. carrier affiliated with or seeking to become affiliated with a foreign carrier that has market power in a non-WTO country in which the U.S. carrier is authorized to serve; (3) submarine cable landing license applications filed by foreign carriers or their affiliates that have market power in non-WTO countries where the cable lands; and (4) notifications filed by a U.S. cable landing licensee affiliated with or seeking to become affiliated with a foreign carrier that has market power in a non-WTO country where the cable lands. Instead, the Commission will require that an applicant from a non-WTO country demonstrate whether or not it has market power in the non-WTO country where it seeks to provide international services or where the cable lands, and, if so, the application and/or notification will be placed on a non-streamlined public notice, providing an opportunity for public comment. Further, the Commission will continue to coordinate applications with the United States Trade Representative (USTR) and other Executive Branch agencies, and defer to these agencies in matters relating to national security, law enforcement, foreign policy or trade policy concerns. In evaluating applications or notifications, the Commission will retain the ability to request additional information from the applicant in response to concerns raised by USTR or any interested party, or as a result of its own public interest analysis. In addition, the Commission will continue to protect competition and prevent anticompetitive strategies that foreign carriers can use to discriminate among U.S. carriers by continuing to maintain its dominant carrier safeguards and “no special concessions” rules. This approach will

enable the Commission to address any specific concerns that may arise with a particular non-WTO market and potentially effectuate changes in that market related to those concerns, rather than requiring such information from all such applicants. In this manner the Commission will continue its policy of promoting effective competition in the U.S. telecommunications service market.

2. The ECO Test is a set of criteria first adopted in the 1995 Foreign Carrier Entry Order, 60 Fed Reg 67332 (1995), as a condition of entry into the U.S. international telecommunications services market by foreign carriers that possess market power on the foreign end of a U.S.-international route on which they seek to provide service pursuant to section 214 of the Communications Act of 1934, as amended (the “Act”), 47 U.S.C. 214(a). The Commission adopted the ECO Test in response to concerns that foreign carriers with market power seeking to enter the U.S. international services market could use their foreign market power to benefit themselves and/or their U.S. affiliates, to the disadvantage of unaffiliated U.S. carriers and, ultimately, U.S. consumers. The test was designed to serve three stated goals for the regulation of U.S. international telecommunications services: to promote effective competition in the U.S. telecommunications service market; to prevent anticompetitive conduct in the provision of international services or facilities; and to encourage foreign governments to open their telecommunications markets.

3. Notice of Proposed Rulemaking(NPRM). The Commission initiated this proceeding in light of the developments in international telecommunications and the small number of filings requiring an ECO Test determination since the ECO Test was adopted in 1995. In addition, since 1998, when the WTO Basic Telecommunications

Agreement went into effect, WTO Membership has grown from 132 to 159 Members. There are 24 WTO Observer countries in the process of joining, or acceding to, the WTO. Although approximately one-fifth of all countries are WTO Observers or other non-WTO countries that have not opened up their markets pursuant to WTO accords, the WTO Observers and non-WTO countries collectively represent only about one percent of the world's gross domestic product.

4. In the Notice of Proposed Rulemaking (NPRM), the Commission noted that the detailed ECO Test requirements were designed to be applied to countries that could support advanced regulatory regimes, but that most of the remaining non-WTO Member countries are smaller countries and may be without resources to support a regulatory framework that meets all of the detailed ECO Test requirements. Further, the Commission stated that the most recent actions taken show that a non-WTO country may have a relatively open market even if its regulatory regime does not fully satisfy the ECO Test with the precision originally anticipated by the rules.

5. In view of these considerations, the Commission proposed to either (1) eliminate the ECO Test from the Commission's section 214 rules, or (2) modify the ECO Test criteria for section 214 authority applications and cable landing licenses, including their respective foreign carrier affiliation notifications, and to codify these modified ECO Tests in the Commission rules.

6. AT&T filed comments in response to the NPRM supporting modification of the ECO Test as proposed in the NPRM, and proposing to expand the section 214 ECO Test to add a requirement that U.S. carriers have the right to own capacity on

submarine cables landing in the foreign country and the ability to access such capacity at submarine cable stations operated by foreign dominant carriers in the applicant's country.

7. The United States Trade Representative (USTR) supported the Commission's proposal in this proceeding to eliminate the ECO Test applied to applications for section 214 authorizations and cable landing licenses. USTR wants to ensure that Executive Branch agencies, and, in particular, USTR, continue to receive notice of applications and retain the ability to file comments in opposition to applications where trade policy issues are implicated.

8. Revised and Codified Rules for Foreign Entry Into the U.S. Telecommunications Market. The Report and Order adopts the NPRM proposal to eliminate the ECO Test which the Commission applied to review of international section 214 applications and cable landing license applications filed by foreign carrier or their affiliates that have market power in non-WTO countries, and to notifications filed by authorized U.S. carriers or cable landing licensees affiliated with, or seeking to become affiliated with, a foreign carrier having market power in a non-WTO country that the U.S. carrier or cable landing licensee is authorized to serve. The Report and Order also codifies the modified rules in sections 1.767(a)(8), 1.768(g)(2), 63.11(g)(2) and 63.18(k) of the Commission's rules.

9. The Commission concluded in the Report and Order that retention of the ECO Test is no longer necessary to protect competition, and found that elimination of unnecessary requirements will reduce regulatory burdens and enhance its ability to expeditiously review foreign entry that may be advantageous to U.S. consumers. By eliminating the ECO Test, the filing and review process for applications filed by foreign

carriers having market power in non-WTO countries for entry into the U.S. market for the provision of facilities and services is simplified. The Commission found that it can effectively analyze potential market barriers on an as-needed basis, rather than through a formal test, to make a public interest determination as to whether U.S. carriers are experiencing competitive problems in a particular market, and whether the public interest would be served by authorizing the foreign carrier to enter the U.S. market. Under this approach, applications and notifications placed on non-streamlined public notice will provide an opportunity for U.S. carriers and government agencies to review and provide comment on such applications and notifications as to whether they are experiencing problems in entering the market of the relevant non-WTO country. As noted, in considering potential areas of concern the review of any particular application, the Commission will coordinate with the USTR, which is in the best position to determine whether a non-WTO country supports open entry, and other appropriate agencies as necessary.

10. The Commission also emphasized that, in contrast to its approach to applicants from WTO countries, this approach does not carry the presumption in favor of market entry that is applied in the WTO context. Thus, the regulatory framework will continue to encourage non-WTO countries to seek WTO membership and should not be interpreted by either WTO or non-WTO Members as a signal that they can resist pressure to liberalize their markets. As proposed in the NPRM and stated in the Report and Order, the Commission will continue to apply the dominant carrier safeguards in sections 63.10 and 1.767 of the rules, and the “no special concessions” rules in sections 63.14 and 1.767

of the rules, which help prevent certain anticompetitive strategies that foreign carriers can use to discriminate among their U.S. carrier correspondents.

11. Elimination of ECO Test to Section 214 applications and Foreign Ownership Notifications: The Commission will no longer will apply the ECO Test to (1) section 214 applications filed by foreign carriers or their affiliates that have market power in non-WTO countries they seek to serve and (2) notifications filed by an authorized U.S. carrier affiliated with or seeking to become affiliated with a foreign carrier that has market power in a country in which the U.S. carrier is authorized to serve. The Commission will continue to require a foreign carrier applicant for a section 214 authorization or a U.S. authorized carrier filing a foreign affiliation notification to provide the information set out in the rules to establish its qualifications to receive such authorization or to identify its foreign affiliation. Based on information submitted by the applicant or notifying carrier, if the Commission determines that the applicant or notifying carrier is a foreign carrier, or is seeking to become affiliated with, a foreign carrier with market power in a non-WTO Member country, then the application will not be eligible for streamlined processing and will be placed on a 28-day public notice pursuant to Commission rules. Foreign carrier affiliation notifications will continue to require a 45-day notification prior to consummation of the transaction. This notice period provides an opportunity for U.S. carriers and government agencies to file comments as to whether they are experiencing problems in entering the market of the relevant non-WTO country. The Commission may also seek additional information from the applicant or notification filer including, but not limited to, the ability of U.S. carriers to obtain a controlling interest in a carrier in the foreign country, the existence of competitive



safeguards in the foreign country to protect against anticompetitive practices, the existence of reasonable and nondiscriminatory interconnection arrangements, and whether U.S. cable licensees have the right to enter the market of the non-WTO country and own or access capacity on submarine cables landing in that country. Through this approach the Commission will be able to assess the ability of U.S. carriers to effectively compete in a particular market of a foreign U.S. 214 applicant, and make a determination and take action appropriate to the market in question. If the Commission should find that U.S. carriers are experiencing competitive problems in the home market of a foreign carrier section 214 applicant or notification filer, the Commission could deny the application or impose conditions on the authorization that address the problems it may find.

12. Elimination of ECO Test to Cable Landing Licenses and Foreign Ownership Notifications: The Commission eliminated the ECO Test as a formal requirement for cable landing license applications and notifications of foreign carrier affiliation by submarine cable licensees, and modified its rules to require that that an applicant or notification filer from a non-WTO Member country demonstrate, pursuant to sections 47 CFR 1.767 and 47 CFR 1.768, whether or not it has market power in the non-WTO Member country where the cable lands, with reference to 47 CFR 63.10(a) of the rules. If the demonstration reveals that the applicant is itself, or is affiliated with, a foreign carrier with market power in the proposed cable's non-WTO destination country, then, pursuant to existing rules, the application will not be eligible for streamlined processing. With respect to notifications, the disclosure of market power in the non-

WTO country will trigger the existing 45-day waiting period before the transaction can be consummated.

13. Applications not subject to streamlining are placed on public notice for 28 days and the Commission has 90 days to act on them, subject to extension of this period. This period provides an opportunity for U.S. cable licensees to comment and indicate specific problems that they have in owning and operating cables facilities in the country where the cable lands. In addition to investigating allegations of such problems, the Commission will coordinate comments that are filed with appropriate Executive Branch agencies and impose, if necessary, appropriate conditions on the license.

#### **Paperwork Reduction Act of 1995 Analysis**

14. This Report and Order contains modified information collection requirements, subject to the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13. These information collection requirements will be submitted to the Office of Management and Budget (OMB) for review under Section 3507(d) of the PRA. The Commission will publish a separate notice in the Federal Register inviting comment on the new or revised information collection requirement(s) adopted in this document. The requirement(s) will not go into effect until OMB has approved it and the Commission has published a notice announcing the effective date of the information collection requirement(s). In addition, we note that pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, see 44 U.S.C. 3506(c)(4), we previously sought specific comment on how the Commission might further reduce the information collection burden for small business concerns with fewer than 25 employees.

#### **Final Regulatory Flexibility Certification**

15. The Regulatory Flexibility Act of 1980, as amended (RFA), requires that a final regulatory flexibility analysis be prepared for notice-and-comment rule making proceedings, unless the agency certifies that “the rule will not, if promulgated, have a significant economic impact on a substantial number of small entities. The RFA generally defines the term “small entity” as having the same meaning as the terms “small business,” “small organization,” and “small governmental jurisdiction.” In addition, the term “small business” has the same meaning as the term “small business concern” under the Small Business Act. A “small business concern” is one which: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the Small Business Administration (SBA).

16. In this Report and Order, the Commission decides to eliminate the ECO Test that currently applies to review of applications for international section 214 authority and cable landing licenses. It also eliminates the ECO Test as it applies to notifications filed by authorized U.S. carriers and cable landing licensees of an affiliation with a foreign carrier with market power in a non-WTO Member country. Instead of applying an ECO Test to these applications, the Commission will apply a simplified approach to the filing and review of section 214 applications, cable landing license applications, and notifications from authorized U.S.-international carriers and cable landing licensees. The Commission maintains its ability to seek additional information from the applicant and notification filer as needed if an inquiry is warranted as to whether an applicant’s home market is open to entry for U.S. international carriers and cable landing licensees. This approach will reduce unnecessary regulatory costs and burdens where only limited investigation is necessary in connection with an application. Under this approach, the

Commission continues to maintain other regulatory safeguards under section 214 of the Communications Act and under the Cable Landing License Act, as well as to maintain existing coordination arrangements with Executive Branch agencies to protect national security and take into account law enforcement, foreign policy and trade policy considerations.

17. From a historical perspective, the Commission has had little need to apply the ECO Test since its adoption in 1995. The Commission has taken only eight actions applying the ECO Test in the 19 years since its adoption. While the Commission cannot project exactly how many foreign carriers, or affiliates of foreign carriers with market power in non-WTO Member countries, may in the future seek entry into the U.S. telecommunications market, there is nothing in the record to suggest that there will be significantly more such carriers than there have been in the past. Therefore, the Commission certifies that the requirements of this Report and Order will not have a significant economic impact on a substantial number of small entities. The Commission will send a copy of the Report and Order, including this certification, to the Chief Counsel for Advocacy of the SBA. This final certification will also be published in the Federal Register.

### **Report to Congress**

18. The Commission will send a copy of the Report and Order, including this Final Regulatory Flexibility Certification (FRFC), in a report to be sent to Congress and the Government Accountability Office pursuant to the Congressional review Act. In addition, the Commission will send a copy of the Report and Order, including a copy of

this FRFC, to the Chief Counsel for Advocacy of the SBA. A copy of the Report and Order and FRFC (or summaries thereof) will also be published in the Federal Register.

## **Ordering Clauses**

19. IT IS ORDERED that, pursuant to the authority contained in sections 1, 2, 4(i) and (j), 201-205, 208, 211, 214, 303(r), and 403 of the Communications Act of 1934, as amended, 47 U.S.C. 151, 152, 154(i)-(j), 201-205, 208, 211, 214, 303(r), and 403, and the Cable Landing License Act, 47 U.S.C. 34-39 and Executive Order No. 10530, section 5(a), this Report and Order IS ADOPTED, and the policies, rules, and requirements discussed herein ARE ADOPTED, and parts 1 and 63 of the Commission's rules, 47 CFR parts 1 and 63, ARE AMENDED as set forth in Appendix A.

20. IT IS FURTHER ORDERED that the Commission's Consumer and Governmental Affairs Bureau, Reference Information Center, SHALL SEND a copy of this Report and Order, including the Final Regulatory Flexibility Certification, to the Chief Counsel for Advocacy of the Small Business Administration, in accordance with Section 603(a) of the Regulatory Flexibility Act, 5 U.S.C. 601 et seq.

21. IT IS FURTHER ORDERED that the policies, rules, and requirements established in this decision shall take effect thirty (30) days after publication in the Federal Register, except for §§ 1.767(a)(8), 1.768(g)(2), 63.11(g)(2), and 63.18, which contains modified information collection requirements that require approval by the Office of Management and Budget under the PRA. The Federal Communications Commission will publish a document in the Federal Register announcing such approval and the relevant effective date.

22. IT IS FURTHER ORDERED that this proceeding, IB Docket No. 12-299, IS HEREBY TERMINATED.

List of Subjects in

47 CFR Part 1

Administrative practice and procedure, Cable landing licenses.

47 CFR Part 63

Communications common carriers.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch,

Secretary.

## Final Rules

For the reasons discussed in the preamble, the Federal Communication Commission amends 47 CFR parts 1 and 63 as follows:

### **PART 1 – PRACTICE AND PROCEDURE**

1. The authority citation for part 1 continues to read as follows:

Authority: 15 U.S.C. 79 et seq.; 47 U.S.C. 151, 154(i), 154(j), 155, 157, 225, 227, 303(r), 309, 1403, 1404, and 1451.

2. Section 1.767 is amended by revising paragraph (a)(8) and the note to § 1.767 to read as follows:

#### **§ 1.767 Cable landing licenses.**

(a) \* \* \*

(8) For each applicant:

(i) The place of organization and the information and certifications required in §§63.18(h) and (o) of this chapter;

(ii) A certification as to whether or not the applicant is, or is affiliated with, a foreign carrier, including an entity that owns or controls a cable landing station, in any foreign country. The certification shall state with specificity each such country;

(iii) A certification as to whether or not the applicant seeks to land and operate a submarine cable connecting the United States to any country for which any of the following is true. The certification shall state with specificity the foreign carriers and each country:

(A) The applicant is a foreign carrier in that country; or

(B) The applicant controls a foreign carrier in that country; or



(C) There exists any entity that owns more than 25 percent of the applicant, or controls the applicant, or controls a foreign carrier in that country.

(D) Two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than 25 percent of the applicant and are parties to, or the beneficiaries of, a contractual relation (e.g., a joint venture or market alliance) affecting the provision or marketing of arrangements for the terms of acquisition, sale, lease, transfer and use of capacity on the cable in the United States; and

(iv) For any country that the applicant has listed in response to paragraph (a)(8)(iii) of this section that is not a member of the World Trade Organization, a demonstration as to whether the foreign carrier lacks market power with reference to the criteria in §63.10(a) of this chapter.

NOTE TO PARAGRAPH (a)(8)(iv): Under §63.10(a) of this chapter, the Commission presumes, subject to rebuttal, that a foreign carrier lacks market power in a particular foreign country if the applicant demonstrates that the foreign carrier lacks 50 percent market share in international transport facilities or services, including cable landing station access and backhaul facilities, intercity facilities or services, and local access facilities or services on the foreign end of a particular route.

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NOTE TO § 1.767: The terms “affiliated” and “foreign carrier,” as used in this section, are defined as in § 63.09 of this chapter except that the term “foreign carrier” also shall include any entity that owns or controls a cable landing station in a foreign market. The term “country” as used in this section refers to the foreign points identified in the U.S. Department of State list of Independent States of the World and its list of Dependencies and Areas of Special Sovereignty. See <http://www.state.gov>.

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3. Section 1.768 is amended by revising paragraph (g)(2) to read as follows:

**§ 1.768 Notification by and prior approval for submarine cable landing licensees that are or propose to become affiliated with a foreign carrier.**

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(g) \*\*\*

(2) In the case of a prior notification filed pursuant to paragraph (a) of this section, the authorized U.S. licensee must demonstrate that it continues to serve the public interest for it to retain its interest in the cable landing license for that segment of the cable that lands in the non-WTO destination market. Such a showing shall include a demonstration as to whether the foreign carrier lacks market power in the non-WTO destination market with reference to the criteria in §63.10(a) of this chapter. In addition, upon request of the Commission, the licensee shall provide the information specified in §1.767(a)(8). If the licensee is unable to make the required showing or is notified by the Commission that the affiliation may otherwise harm the public interest pursuant to the Commission's policies and rules under 47 U.S.C. 34 through 39 and Executive Order No. 10530, dated May 10, 1954, then the Commission may impose conditions necessary to address any public interest harms or may proceed to an immediate authorization revocation hearing.

NOTE TO PARAGRAPH (g)(2): Under §63.10(a) of this chapter, the Commission presumes, subject to rebuttal, that a foreign carrier lacks market power in a particular foreign country if the applicant demonstrates that the foreign carrier lacks 50 percent market share in international transport facilities or services, including cable landing station access and backhaul facilities, intercity facilities or services, and local access facilities or services on the foreign end of a particular route.

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**PART 63 – EXTENSION OF LINES, NEW LINES, AND DISCONTINUANCE,  
REDUCTION, OUTAGE AND IMPAIRMENT OF SERVICE BY COMMON  
CARRIERS; AND GRANTS OF RECOGNIZED PRIVATE OPERATING  
AGENCY STATUS**

4. The authority citation for part 63 continues to read as follows:

Authority: Sections 1, 4(i), 4(j), 10, 11, 201-205, 214, 218, 403 and 651 of the Communications Act of 1934, as amended, 47 U.S.C. 151, 154(i), 154(j), 160, 201-205, 214, 218, 403, and 571, unless otherwise noted.

5. Section 63.11 is amended by revising paragraph (g)(2) to read as follows:

**§ 63.11 Notification by and prior approval for U.S. international carriers that are  
or propose to become affiliated with a foreign carrier.**

\* \* \* \* \*

(g) \* \* \*

(2) In the case of a prior notification filed pursuant to paragraph (a) of this section, the U.S. authorized carrier must demonstrate that it continues to serve the public interest for it to operate on the route for which it proposes to acquire an affiliation with the foreign carrier authorized to operate in the non-WTO Member country. Such a showing shall include a demonstration as to whether the foreign carrier lacks market power in the non-WTO Member country with reference to the criteria in §63.10(a) of this chapter. If the U.S. authorized carrier is unable to make the required showing in §63.10(a) of this chapter, the U.S. authorized carrier shall agree to comply with the dominant carrier safeguards contained in § 63.10(c) of this chapter, effective upon the acquisition of the affiliation. If the U.S. authorized carrier is notified by the Commission that the affiliation

may otherwise harm the public interest pursuant to the Commission's policies and rules, then the Commission may impose conditions necessary to address any public interest harms or may proceed to an immediate authorization revocation hearing.

NOTE TO PARAGRAPH (g)(2): Under §63.10(a) of this chapter, the Commission presumes, subject to rebuttal, that a foreign carrier lacks market power in a particular foreign country if the applicant demonstrates that the foreign carrier lacks 50 percent market share in international transport facilities or services, including cable landing station access and backhaul facilities, intercity facilities or services, and local access facilities or services on the foreign end of a particular route.

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6. Section 63.18 is amended by revising paragraph (k) introductory text, adding a note to paragraph (k), redesignating paragraph (q) as (r), and adding new paragraph (q), to read as follows:

**§ 63.18 Contents of applications for international common carriers.**

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(k) For any country that the applicant has listed in response to paragraph (j) of this section that is not a member of the World Trade Organization, the applicant shall make a demonstration as to whether the foreign carrier has market power, or lacks market power, with reference to the criteria in §63.10(a) of this chapter.

\* \* \* \* \*

NOTE TO PARAGRAPH (k): Under §63.10(a), the Commission presumes, subject to rebuttal, that a foreign carrier lacks market power in a particular foreign country if the applicant demonstrates that the foreign carrier lacks 50 percent market share in international transport facilities or services, including cable landing station access and backhaul facilities, intercity facilities or services, and local access facilities or services on the foreign end of a particular route.

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(q) Any other information that may be necessary to enable the Commission to act on the application.

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